

AMERICAN STORES COMPANY

And

AFFILIATED COMPANIES

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COMBINED
STATEMENT

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DECEMBER 31, 1918

AMERICAN STORES COMPANY

OFFICERS

President, Samuel Robinson
Vice-President, John Eagleson
Vice-President, Robert H. Crawford
Vice-President, William M. Crowe
Vice-President, George M. Dunlap, Sr.
Vice-President, George R. Pelouze
Secretary and Assist. Treas., E. J. Flanigan
Treasurer, Wm. M. M. Robinson

DIRECTORS

Samuel Robinson, Philadelphia	Charles Counselman, Chicago
John Eagleson, Philadelphia	Joseph Gilfillan, Philadelphia
Robert H. Crawford, Philadelphia	Samuel M. Clement, Jr., Philadelphia
Wm. M. Crowe, Philadelphia	James K. Trimble, Philadelphia
George M. Dunlap, Sr., Philadelphia	F. W. Bacon, Philadelphia
George R. Pelouze, Philadelphia	

We have audited the books and accounts of the American Stores Company and Affiliated Companies for the year ended December 31, 1918, and hereby certify that in our opinion the annexed combined Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs according to the best of our information and the explanations given to us and as shown by the books of the Companies.

We have obtained all the information and explanations required by us.

BARROW, WADE, GUTHRIE & CO.
Chartered Accountants

PHILADELPHIA, PA.
MARCH 14, 1919.

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COMBINED

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ASSETS

CURRENT ASSETS AND INVESTMENTS:

Cash	\$	937,148.15	
Accounts Receivable		108,076.91	
<i>Inventories:</i>			
Branch Stores	\$	2,214,114.91	
Bakeries		58,699.81	
Warehouses		3,102,704.30	
Merchandise in Transit		593,473.39	
Miscellaneous		36,713.33	6,005,705.74
Liberty Bonds			1,250,000.00
Thrift Stamps			3,212.25
Accrued Interest Receivable			10,065.92
Mortgages Receivable			348.91
			8,314,557.88

PREPAID ASSETS:

Mercantile Licenses		17,902.67	
Automobile Licenses		4,310.50	
Insurance		52,143.50	
Store Rents		5,867.86	
Store Dwelling Rents		1,387.78	
Railroad Sidings		1,478.19	
Discount on Notes Payable		6,419.08	
Capital Stock Federal Tax		3,202.25	
Miscellaneous		135.40	92,847.23

FIXED ASSETS:

Warehouse and Warehouse Fixtures		1,881,528.77	
Warehouse Delivery Fixtures		164,212.33	
Warehouse Dwellings		92,440.37	
Bakery and Bakery Fixtures		790,576.38	
Bakery Delivery Fixtures		86,010.77	
Branch Store Fixtures		1,001,103.23	
Office Fixtures		30,526.65	
Superintendent's Automobiles		10,392.77	
Stables, Garages and Fixtures		211,736.16	4,268,527.43

SUNDRY ASSETS:

Goodwill	\$	11,375,000.00	
<i>Less: Special Surplus arising from acquisition of Acme</i>			
Tea Co. Stock under Par		1,658,046.60	9,716,953.40
Organization Expenses		47,824.34	9,764,777.74
	\$		<u>22,440,710.28</u>

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31, 1918

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable.....	\$ 1,302,790.72	
Notes Payable.....	1,646,040.72	
Wages Payable—Accrued.....	79,855.38	
Dividends Payable.....	86,763.25	
U. S. Government War Saving Stamps.....	<u>25,000.00</u>	3,140,450.07

RESERVES:

Reserve for Income, War and Excess Profit Taxes, etc.....	1,253,291.67	
Stock Redemption—1st Preferred.....	201,041.67	
Stock Redemption—2d Preferred.....	30,000.00	
Trading Stamp Account.....	<u>11,672.37</u>	1,496,005.71

OUTSIDE STOCKHOLDERS' INTEREST IN CONTROLLED COMPANIES:

Acme Tea Co.—1st Preferred Stock.....	1,864,100.00	
Acme Tea Co.—2d Preferred Stock.....	22,000.00	
Acme Tea Co.—Common Stock.....	42,200.00	
Share of Surplus.....	<u>14,490.51</u>	1,942,790.51

CAPITAL AND SURPLUS:

Capital:

1st Preferred Stock Issued and Outstanding..... 3,447,900.00

2d Preferred Stock Issued and Outstanding..... 1,457,000.00

Common Stock Authorized—150,000 shares

Less: Unissued 7,760 sharesIssued and Outstanding..... 142,240 shares No par..... 8,974,150.00

13,879,050.00

Surplus..... 1,982,413.99 15,861,463.99\$ 22,440,710.28

AMERICAN STORES COMPANY

AND

AFFILIATED COMPANIES

STATEMENT OF COMBINED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1918

Gross Sales.....	\$ 62,315,465.61
Cost of Goods Sold.....	<u>52,018,770.33</u>
Gross Profit on Sales.....	10,296,695.28

STORE OPERATING EXPENSE:

Wages and Commissions.....	\$ 3,828,044.04
Rents.....	541,197.12
Freight and Expressage.....	315,220.55
Mercantile Licenses.....	99,974.70
Repairs, Maintenance and Expense.....	536,538.53
Depreciation.....	<u>98,956.85</u>

Total..... 5,419,931.79

Warehouse, Administration and General Expense.... 2,275,577.78

Total Operating and Administration Expense... 7,695,509.57

NET STORES PROFIT..... 2,601,185.71

OTHER INCOME:

Interest and Discount, etc.....	16,099.47
Office Rent.....	4,500.00
Property Accounts.....	7,740.48
Miscellaneous Sales Profit.....	<u>7,725.09</u>
	36,065.04
	<u>2,637,250.75</u>

MISCELLANEOUS DEDUCTIONS:

Organization Expenses.....	17,354.90
Closed Store Account.....	199,015.20
Lease Account (Closed Stores).....	23,582.29
Loss on Sale of Equipment.....	4,688.00
Interest on Notes.....	47,798.03
Repairs and Maintenance, Sundry Properties.....	1,213.21
Taxes and Water Rents, Sundry Properties.....	1,778.14
Depreciation on Sundry Properties.....	<u>2,010.58</u>
	297,440.35

NET PROFIT..... 2,339,810.40

DEDUCTIONS FROM NET PROFIT:

Reserve for Federal and State Taxes..... 1,086,185.11

Balance Available for Dividends and Sinking Fund..... 1,253,625.29

Deduct: Preferred Dividends and Sinking Fund..... 717,934.26

SURPLUS FOR YEAR 1918..... \$ 535,691.03